

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM FEBRUARY 23, 2011
OPEN SESSION

MINUTES OF FEBRUARY 23, 2011 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN JIMMY FIELD, VICE CHAIR CLYDE HOLLOWAY AND COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE AND ERIC SKRMETTA. ALSO PRESENT WAS EVE KAHAO GONZALEZ.

Open Session of February 23, 2011, convening at 9:12 A.M. and adjourning at 12:08 P.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

Ex. 1 Announcements

Executive Counsel Dennis Weber reminded everyone of the technical conference to be held March 1 and 2, 2011 in Docket U-28155.

Mr. Weber announced that there will be an educational conference at the LSU Center for Energy Studies on February 24, 2011 from 9:30 to 4:30

At the request of Commissioner Skrmetta, Deputy General Counsel Brandon Frey gave a brief update on the Cleco vs. Opelousas Trust docket (U-31352) pending at the Commission.

Commissioner Holloway complimented Secretary Gonzalez and the Staff on their hard work. Commissioners Field and Skrmetta joined in Commissioner Holloway's compliments.

Executive Secretary Eve Kahao Gonzalez informed the Commissioners that a proposed general order on water systems rules and regulations will be published in the February 25, 2011 Bulletin and encouraged all interested parties to intervene and participate.

Commissioner Field directed Staff to look into securitizing loans for all systems when they need repairs.

Commissioner Holloway directed Staff to come up with a mechanism in which to return excess funds from our budget to the ratepayers.

Ex. 2 Election of LPSC representative to the ERSC.

At the request of Commissioner Skrmetta.

Last month's Ex. 17

On motion of Commissioner Boissiere, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to elect Commissioner Skrmetta as the LPSC representative to the ERSC.

The Commission further decided that the election of the LSPC representative would be held annually at the same time as the Chairman/Vice Chairman election.

Ex. 3 **S-31811 - Campti-Pleasant Hill Telephone Company, Inc., and CP-Tel Network Services, Inc., ex parte. In re: Request of Campti-Pleasant Hill Telephone Company, Inc. and CP-Tel Network Services, Inc. for Approval and/or Letter of Non-Opposition to Pledge of Security in Connection with Refinance of Existing Loans.**

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff Recommendation and issue the letter of non-opposition conditioned upon the Company filing into the record of this proceeding and providing to Staff a copy of the signed loan agreements outlining all the terms and conditions of the financing between CP-Tel Holdings and CoBank within 30 days of the loan completion date.

Ex.4 **S-31739** - Town and Country Service Co, ex parte. In re: Request for a Letter of Non-Opposition to proposed loan.

PULLED

Ex. 5 **S-31783** - Washington-St. Tammany Electric Cooperative, Inc. (WSTE), ex parte. In re: Request for a letter non-opposition to the long term construction loan with Rural Utilities Service/Federal Financing Bank.

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and issue the letter of non-opposition subject to the following conditions: 1) WST shall file into the record of this proceeding and provide the LPSC Economics Staff with a copy of the signed loan agreements outlining all the terms and conditions of the financing between WST and FFB within 30 days of the loan completion date; 2) WST will not apply in any current or future proceedings to the LPSC for an increase in its rates and charges as a result of the impact that this borrowing may have on its TIER, DSC, and overall results of operation; and 3) The Commission reserves its right to review the ratemaking treatment of this loan proposal in any future rate proceeding.

Ex. 6 **S-31784** - Washington-St. Tammany Electric Cooperative, Inc., ex parte. In re: Request for a letter on non-opposition to a Line of Credit Approval with CoBank.

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and issue the letter of non-opposition subject to the following conditions: 1) WST shall file into the record of this proceeding and provide the LPSC Economics Staff with a copy of the signed loan agreements outlining all the terms and conditions of the financing between WST and CoBank within 30 days of the loan completion date; 2) WST will not apply in any current or future proceedings to the LPSC for an increase in its rates and charges as a result of the impact that this borrowing may have on its TIER, DSC, and overall results of operation; and 3) The Commission reserves its right to review the ratemaking treatment of this loan proposal in any future rate proceeding.

Ex. 7 **U-28155** - Entergy Louisiana, Inc. and Entergy Gulf States, Inc., ex parte. . In re: Application of Entergy Louisiana, Inc. and Entergy Gulf States, Inc. for review of proposal to establish independent coordinator of transmission.

In re: Discussion and possible vote on Uncontested Stipulated Settlement.

On motion of Commissioner Holloway, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Uncontested Stipulated Settlement filed into the record on January 28, 2011.

Ex. 8 **U-31816** - Entergy Gulf States Louisiana, L.L.C., ex parte. In re: Test year 2010 Rate Stabilization Plan Filing.

In re: Discussion and possible vote on budget extension for Exeter Associates, Inc.

On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to authorize Exeter Associates, Inc. to assist Staff with the review of EGSL's 2010 annual evaluation report and for an additional budget of \$6,500, to be added to Exeter's original budget approved in Docket U-28035, for a total of \$8,500.

Ex. 9 **U-31370** - Wastewater Treatment - Utilities, Inc. and Ascension Wastewater Treatment Utilities, Inc., ex parte.. In re: Request for Rate Increases on an Emergency and Interim Basis.

In re: Discussion and possible vote on Applicant's Unopposed First Amended Motion for Limited Rehearing of Commission Order No. U-31370-A.

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept Staff's Recommendation and approve the Company's prayer for relief, specifically, that paragraphs 15 and 16 of Order No. U-31370-A are modified as

follows:

“15. The Company shall submit a new or revised tariff reflecting the Commission action to the Utilities Division within thirty (30) days of filing a commitment letter from a reputable financial institution which substantially complies with the conditions contained in paragraph 3 herein.

16. Although this Order No. U-31370-A supercedes Order No. U-31370, the Company is authorized to continue to collect the \$4.00 interim rate increase approved therein, subject to the protective security required by Order No. U-31370, with such security remaining in place while the interim increase is collected.”

- Ex. 10 **U-31393 - Cleco Power, LLC, ex parte.** In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for: (i) Authorization to install, own and operate advanced metering infrastructure; (ii) authorization to recover in jurisdictional rates all costs reasonably and prudently incurred to install, own and operate advanced metering infrastructure; and (iii) expedited treatment.

In re: Discussion and possible vote on Uncontested Stipulated Settlement.

Last month's Ex. 8

On motion of Commissioner Holloway, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the uncontested stipulated settlement filed into the record on October 15, 2011 as modified by Commissioner Holloway's motion read into the record.

- Ex. 11 **U-31206 - LPSC v. IEG Utilities LLC, IEG Operating LLC.** In re: Alleged violation of LSA-R.S. 45:1203 and the Louisiana Public Service Commission General Order Number 2, dated July 1, 1921, for providing water and/or wastewater services to customers and charging rates without LPSC authority.

Last month's Ex. 9

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept Staff Recommendation and order Mr. John Miller and IEG to register with the Commission and file all necessary documentation, including rates and terms of service, for approval and oversight by the Commission in accordance with law within 15 days of the order.

- Ex. 12 **R-28271 Sub B - Louisiana Public Service Commission, ex parte.** In re: Re-study of the feasibility of a renewable portfolio standard for the State of Louisiana.

In re: Clarification of Order regarding limitation of woody biomass generating facility to 50 MW.

At the request of Commissioner Holloway.

PULLED

- Ex. 13 First annual review of Entergy Louisiana, LLC and Entergy Gulf States Louisiana, L.L.C.'s federal environmental adjustment clause filings pursuant to Order No. R-29380 Subdocket A.

In re: Discussion and possible vote to hire outside consultant to assist Staff in this matter.

On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to retain the consulting firm of Henderson Ridge Consulting, Inc. to assist Staff in this matter for a budget of \$15,575 plus expenses not to exceed \$1,100 for a total of \$16,675.

- Ex. 14 LPSC, ex parte. In re: Audit of LUS' pursuant to General Order dated 10/04/05.

In re: Discussion and possible vote to retain Henderson Ridge to assist Staff in Audit.

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept Staff Recommendation and retain Henderson Ridge Consulting, Inc. to assist Staff in the audit of LUS for a budget of \$26,250 for fees and \$1,700 for expenses, for a total budget of \$27,950.

Ex. 15 Report from Entergy Services Inc. on 2010 RFP for Renewable Generation Resources.

At the request of Commissioner Holloway.

Karen Freese and Andrew Owens, on behalf of Entergy, gave a report on their 2010 RFP for Renewable Generation Resources and answered questions from the Commissioners.

Ex. 16 Possible Executive Session pursuant to La. R.S. 42:6.1 and 42:7 to discuss pending litigation regarding Louisiana Public Service Commission versus Louisiana Legislature, Case No. 592,231.

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to go into Executive Session.

On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to come out of Executive Session.

Ex. 17 1) Reports
- Report from Staff on plans to conduct cost of service studies.
2) Resolutions
3) Discussions

Executive Secretary Gonzalez updated the Commission on the plan to conduct a cost of service studies. Ms. Gonzalez informed the Commissioners that Staff had met with representatives of the investor-owned utilities. Staff will next meet again without the companies, and then bring a recommendation to the Commission.

On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to allow Commissioner Boissiere to bring up a proposal from GCR & Associates, Inc. to assist Staff in redistricting up out of order.

Commissioner Boissiere made a motion to accept GCR's proposal contingent on legislative approval of monies to be appropriated for these services. Commissioner Skrmetta seconded this motion. However, after discussion, Commissioner Campbell offered a substitute motion.

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioners Field and Boissiere concurring and Commissioner Holloway objecting, the Commission voted to hire the consulting firm of GCR & Associates on an hourly pay basis contingent upon Staff's verification that they can be legally hired, and, if necessary, on legislative approval and contingent upon the hourly rate being reasonable as determined by the Executive Secretary.

Ex. 18 Discussion of a universal charger for cellular telephones.

At the request of Commissioner Campbell.

Commissioner Campbell directed Staff to write a Resolution or letter from the Commission to be sent to the FCC and for this matter to be placed on the Commission's Agenda for a vote next month.

Ex. 19 Staff Report on issues associated with low income competitive eligible telecommunications carriers (ETC).

At the request of Commissioner Field.

Deputy General Counsel Brandon Frey gave report to Commissioners regarding issues brought to Staff's attention from USAC dealing with low-income ETCs.

On motion of Commissioner Boissiere, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to adjourn the meeting.

MEETING ADJOURNED

The next Business and Executive Session will be held March 23, 2011 at 9:00 a.m. in Baton Rouge, Louisiana.